



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Director
AMY CARLSON

DATE: July 19, 2012
TO: Members of the Environmental Quality Council
FROM: Christina Allen, Fiscal Analyst
RE: Update on Fire Suppression Costs

FY 2012 Suppression Summary

For FY 2012 the state has incurred \$20.0 million in fire suppression costs as of July 16, 2012, of which \$3.5 million is reimbursable by other parties, creating a net cost to the state of \$16.5 million. The FY 2012 beginning fire suppression fund balance is \$20.6 million, leaving an estimated balance of \$4.1 million for FY 2013.

FY 2013 Suppression Status

As of July 16th, 2012, the FY 2013 estimated outstanding expenses are \$13.1 million, of which \$5.0 million is reimbursable by Federal Emergency Management Assistance (FEMA) for the Corral, Dahl, and Ash Creek fires. The current estimated net cost to the state is \$8.1 million. Figure 1 lists the available funding options for fire suppression for the remainder of FY 2013.

Department of Natural Resources and Conservation Available Funding Sources for Fire Suppression	
FY 2013 Fire Suppression Fund Balance	\$4,100,000
Governor's Emergency Fund	\$15,800,000
General Fund (DNRC Appropriation)	\$10,000,000
Total	\$29,900,000

Average Cost of Fire Suppression			
Fiscal Year	Total Costs	Reimbursements	State Costs
2006	\$8,302,312	(\$3,240,042)	\$5,062,270
2007	61,000,318	(21,290,928)	39,709,390
2008	108,152,537	(56,757,219)	51,395,318
2009	10,082,885	(3,211,351)	6,871,534
2010	6,695,714	(1,047,748)	5,647,966
2011	3,293,346	(807,571)	2,485,775
2012 Estimate	<u>20,048,997</u>	<u>(3,541,355)</u>	<u>16,507,642</u>
7 Year Total	<u>\$217,576,109</u>	<u>(\$89,896,214)</u>	<u>\$127,679,895</u>
7 Year Average	\$31,082,301	(\$12,842,316)	\$18,239,985
5 Year Adj.	\$106,130,226	(\$32,331,424)	\$73,798,802
Average	\$21,226,045	(\$6,466,285)	\$14,759,760

AVERAGE COST OF FIRE SUPPRESSION

The average cost of fire suppression has risen from \$11.2 million in FY 2011 to \$14.8 million FY 2012 year to date. The Legislative Fiscal Division calculates the average by utilizing the previous seven years of data, removing the high and low seasons, and dividing by five. The average increased slightly because of the elimination of FY 2005, a very low cost season. Figure 2 demonstrates the calculation.

FUTURE COSTS

As with any fire season, suppression costs are not certified complete until long after the last flame is put out. Since this fire season began earlier than normal, the LFC anticipates final fire costs higher than average. Available resources for DNRC include the remainder of the fire suppression fund, the Governor's emergency fund, and a portion of DNRC's general fund appropriation. The LFD staff will continue to monitor the estimates and will provide an update at the September meeting.